

BY PHILLIP FRAZER

DIRTY TRICKS DOWN UNDER

DID THE CIA TOPPLE THE AUSTRALIAN GOVERNMENT?

In the red moonscape desert of central Australia last November, 116 women climbed a chain-link barrier and invaded a spy-satellite base run by the U.S. Central Intelligence Agency.

The women, who had traveled hundreds of miles to stage their action, said they were expressing solidarity with British women camped at Greenham Common in England to protest the deployment of U.S. Cruise missiles at that site. But the facility in Australia was targeted for another reason as well. As a major CIA base, it is a reminder to Australians, who elected a Labor party government just one year ago, that the last Australian Labor government was thrown out in what the Aussies call "the Constitutional Coup." The Australian women who climbed the fence at Pine Gap—like most of the country's Labor party supporters—believe the CIA has never been brought to account for its role in that coup.

To Henry Kissinger, Australia was just another minor annoyance in November of 1972. The president's national security advisor had spent most of that month in Paris desperately trying to sell "peace with honor" to the Vietnamese, while rebel forces closed in on Saigon. Back home, students were plotting revolution in college dormitories. In Chile, a Marxist president had expropriated American banks and copper mines. And in the Middle East, our ally-of-preference, Israel, stood on the brink of another war with our Arabian allies-for-oil.

The fact that Australian voters might elect their first Labor party government in 23 years would, however, create a diplomatic vexation for Kissinger. Under a succession of pliable conservative administrations, Australia had sent 50,000 troops to Viet-

nam. If Labor won and carried out its campaign promise to withdraw, the U.S. would lose one of its handful of allies in Vietnam.

Had Kissinger been able to pay more attention to Australia, he could have channeled a few million dollars to conservative candidates, and they might have won. But Kissinger believed the prediction from his embassy in Canberra, the nation's capital, that Labor would lose; and in the years that followed, a minor vexation became a diplomatic nightmare. For probably the first and only time in its history, the United States felt compelled to meddle in the electoral politics not merely of a small Third World republic but of one of its major allies.

Ten miles west of Washington, D.C., at the Langley, Virginia, headquarters of the Central Intelligence Agency, James Jesus Angleton had his own reasons to fear a Labor victo-

ry in Australia. Angleton had spent 29 years with the CIA. On Australian election day in 1972 he was in charge of the agency's most secretive division, counterintelligence, and he had a good many friends in Australian intelligence. The Aussies were members of a spy elite—perhaps the most exclusive and powerful club on earth—tied together by what is formally known as the UKUSA Agreement. James Bamford, author of the recent study of the U.S. National Security Agency, *The Puzzle Palace*, describes UKUSA as "quite likely the most secret agreement ever entered into by the English-speaking world." The pact was signed in 1947 by the SIGINT (for signals intelligence) organizations of the United States, Great Britain, Canada, Australia and New Zealand. None of their governments has ever acknowledged the existence of that secret agreement.



HENRY KISSINGER

To Kissinger, Australia was merely a minor annoyance—until a House committee handed him a subpoena.

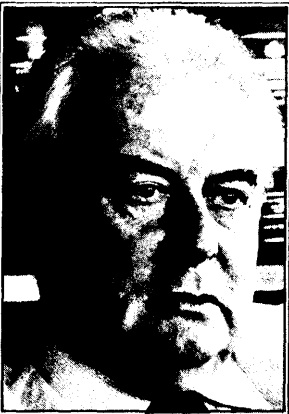
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JAMES JESUS ANGLETON

Angleton demanded Australia's loyalty to the most secret alliance in the English-speaking world.

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GOUGH WHITLAM

Whitlam seemed to be no problem for the CIA—until his attorney general raided Australian intelligence.

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Angleton was well aware of Australia's importance: it managed some unique intelligence work allocated to it by the UKUSA Agreement, and its security services also received vast amounts of intelligence from the CIA. "One of the closest allies we've ever had has been Australia," Angleton says. "It is a power base in the Far East." And so he shuddered when he saw it about to fall into the hands of "a party that has extensive historical contacts in Eastern Europe," a party whose constitution commits it to socialism.

But James Angleton was not the only agent of the CIA who was beginning to worry about Australia. Ted Shackley had run the CIA's Saigon office at the height of the Vietnam War, and he had proved himself a hard-liner. Shackley was about to become the chief of the CIA's East Asia Division, which included Australia; above all, that post meant protecting the CIA's most valuable base outside of North America—Pine Gap. It was the sort of task he relished. Frank Snepp, a coworker in the agency's Saigon office, recalls that in 1971 Shackley sent a series of cables to Kissinger boasting of his CIA agents' efforts to ensure the success of their candidate in the approaching South Vietnamese elections. The cables became known as "Shackleygrams." Shackley's penchant for sending cables continued after the Vietnam War and eventually contributed to the only coup d'état in Australian history.

THE LABOR THREAT

In Canberra, inside the Australian intelligence community, many were worried on election eve 1972, but none so much as Sir Arthur Tange. Tange was a lifetime public servant who had risen rapidly through the bureaucracy under successive conservative administrations to become secretary of defense. His responsibilities included overseeing all of Australia's military intelligence as well as its signals intelligence. Responsibility for SIGINT made Tange Australia's main man in the UKUSA community. As the election approached, Tange pondered the prospect of Australia being ruled by a party he believed was hostile to every aspect of that alliance.

Australian election day—December 2, 1972—was a balmy Saturday in the early summer of the southern hemisphere, a perfect day across the vast continent for voting and gathering in public places to talk. As the day progressed, a mood of excitement spread through the bars and racetracks and

breezy living rooms as the nation's 13 million inhabitants sensed the dawning of a new era; there was a thrill of expectation and a twinge of guilt, almost, at the realization that they had defied their own cautious Anglo-Saxonism and voted in a government that promised socialism and an end to the manners of colonial deference, which had characterized conservative administrations.

Evening turned to night, and the millions of Labor stalwarts who had waited, many of them an entire lifetime, for their turn at power began a swelling chorus of cheers and songs as the unimaginable became reality. By midnight, it was official. The Australian people had elected a Labor government. Their new prime minister was a 56-year-old lawyer named Gough Whitlam.

Whitlam was a heroic figure. At 6'4", he towered over the crowds that thronged his path. Silver hair swept back from his broad forehead revealed bushy black brows that formed inverted v's over his eager eyes. With a profound commitment to public service inherited from his father, a flair for oratory unmatched in Canberra and a mind honed sharp through legal training and 20 years of parliamentary debate, Whitlam had built himself into a formidable politician. He believed that his mission was to make life better for all the people of Australia, without fear or favor toward any—not toward big business, not even, in fact, toward the United States. Australians were not used to politicians with a mission. Nor were they used to bold and progressive legislation. Whitlam surprised them—and the U.S. government as well.

In its first 100 days in office the new Labor government recognized the People's Republic of China; abolished racial criteria from immigration policy (ending the "White Australia Policy"); banned all-white South African sporting teams; conceded land rights to the Aborigines; promoted equal pay for women; added contraceptives to the list of federally subsidized drugs; outlawed the killing of endangered species; announced plans for a free national health service; posted a government reward for the best national anthem to replace "God Save the Queen"; and withdrew all Australian forces from Vietnam.

On the day after he was elected, as he introduced his close aides to the nation's top bureaucrats, Whitlam declared, "These appointments are not subject to the security check. These men are not to be harassed by ASIO." The comment referred to the Australian Security Intelligence Organization,



which had hitherto played by the Angleton rules, scrutinizing all government appointments as possible subversives.

"It was a generous and imprudent gesture," one of Whitlam's aides conceded later, since Tange's men had dutifully reported the prime minister's defiance directly to U.S. intelligence.

But when that communiqué arrived at CIA headquarters, Angleton and Shackley were consumed with Chile, Kissinger was still negotiating with the North Vietnamese, and President Nixon had no time for Australia. He was busy plotting the "Christmas bombing" of Hanoi and Haiphong.

When the bombing commenced, one Australian cabinet member called Nixon and Kissinger "mass murderers"; another said they were "maniacs," and a third said they were "corrupt." Whitlam took a more moderate approach: he wrote Nixon that the bombing would prove counterproductive, that it would, as all previous escalations had, increase Hanoi's intransigence. But Nixon, as we later learned, did not take kindly to criticism, moderate or otherwise.

At a Camp David meeting the next February, British Prime Minister Edward Heath made what were later described by Henry Kissinger as "scathing . . . com-

ments" about the "new, leftist Australian prime minister." Whitlam's "uninformed comments about our Christmas bombing had made him a particular object of Nixon's wrath," Kissinger reported. Nixon was, by that point in his career, viewing all disagreement as mutiny.

At the CIA, Angleton took the reported comments of Whitlam's cabinet members simply as confirmation of material he already had from the ASIO: dossiers on Australian politicians it considered subversive. But CIA officials knew that there were far worse things the Laborites could do than call the president names.

AN IMPUDENT RAID

At eight a.m. on March 16, 1973, 27 uniformed federal police marched down Melbourne's most fashionable boulevard and entered the unmarked building that houses the ASIO. Once inside, they took up positions around filing cabinets and safes. Startled workers stood with their morning cups of tea and watched in wonder as a man in a business suit confronted ASIO Director Peter Barbour and demanded to see files on Croatian terrorists. Croatia is a part of what is now Yugoslavia, and for years Croatian nationals had been grouping in Australia,

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PINE GAP SATELLITE STATION
Pine Gap is indispensable to American satellite spy operations throughout the entire South Pacific region.

**REGINALD CONNOR**

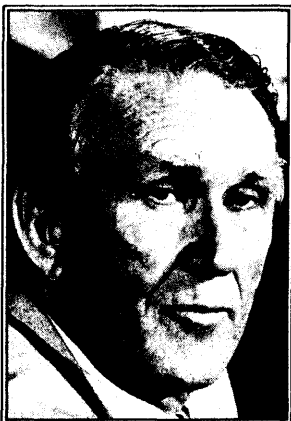
What Rex "The Strangler" Connor wanted was total Australian ownership of the nation's vast resources.

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**TIRATH KHEMLANI**

Khemlani seemed an unlikely broker for a \$4 billion loan. But Connor was determined to avoid Wall Street.

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**MALCOLM FRASER**

The predatory Fraser waited in the next room while Australia's governor general "sacked" the Labor cabinet.

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plotting to overthrow Tito's Communist regime in Belgrade. The Yugoslav prime minister was due to visit Australia in less than a week, and Lionel Murphy—the man demanding the files—feared that right-wing Croatians would attack the visitor.

Murphy, the new attorney general of Australia, believed that the ASIO was protecting the Croatians. The night before, he had been shown a secret ASIO memo saying that the organization would—in defiance of the attorney general—continue to deny the existence of Croatian terrorists in Australia. So Murphy raided his own security service to examine the Croatian files for himself. But the episode turned into a public relations disaster. Barbour produced no incriminating files, and the presence of newspaper reporters who had been tipped off by one of the cops produced a major public embarrassment for Whitlam. The reaction at the CIA was far more violent—but completely unknown to Whitlam.

James Angleton was outraged by Murphy's action. He labeled it "one of the most extraordinary acts that one has ever seen." Angleton had visited Australia many times. A few years earlier, the previous ASIO chief had named him his "No. 2 honorary Australian" (after former CIA Director Allen Dulles). He and the ASIO were not prepared for a radical regime in Canberra. "We and others in the Western world," he said several years later, "had entrusted the highest secrets of counterintelligence to the Australian services, and we saw the sanctity of that information being jeopardized by a bull in a china shop."

BUYING THE FARM

Meanwhile, in Wollongong, a steel town south of Sydney, Reginald Francis Xavier Connor had a very different notion of his country's sovereignty. A granite-faced and boulder-sized man, Rex Connor had been nicknamed "The Strangler" for the time he took a nosy journalist in a headlock. Connor had spent most of his life debating from the wrong side of state and federal parliaments; now, in his mid-60s, he had been given his big chance by Gough Whitlam. As minister for minerals and energy, he became manager of his country's huge natural resources industry: iron ore, bauxite, lead, oil, coal, nickel, copper, manganese, silver, tin, and lots of newly discovered uranium.

According to prime-ministerial aide Graham Freudenberg, Rex Connor had "a vision of Australia Unlimited—an Australia richer and stronger than the United States

... [bringing] modern technology and Australian skills" to the vast nation's untapped resources. Connor covered his office with maps and planned an 8,000-mile natural-gas pipeline that would supply the whole country. He promoted 100-percent Australian ownership of the nation's fuels and minerals, including uranium. And when local mining companies complained, The Strangler would thrust his thumbs behind his suspenders and call them "mugs and hillbillies."

But corporate planners in New York and Tokyo were not at all impressed with Connor's vision; and as the Labor government's term in office progressed, the level of investment coming from U.S., Japanese and European sources plummeted. This was due in part, certainly, to the world recession, but Connor also reckoned he was facing "a strike by capital." In December 1974, with inflation and unemployment approaching postwar highs in Australia, he asked his colleagues to authorize him to borrow the \$4 billion he needed to "buy back the farm." He presented his case one night at the prime minister's Canberra Lodge. The cabinet ministers present wound up the evening by signing the loan-raising authority while gathered around a fridge from which they drank cold beer in celebration.

A few weeks into Connor's quiet search for the \$4 billion, a colleague located a man who claimed he could raise the money. In the world in which Labor politicians had lived most of their lives, such men were rare indeed. Connor told his colleague that he wanted to meet this intermediary as soon as possible.

The man who was brought into Connor's office was of a type quite unfamiliar to the old-time steel-town Aussie. He was a middle-aged commodities trader from Pakistan named Tirath Khemlani and he said he could get the loan for Connor at very reasonable rates. The chain of introductions and connections between Khemlani and Australia was hazy, but Connor had grown up in a political machine that thrived on secrecy and back-room deals, so he paid little attention to the fact that one of Khemlani's primary connections was to a Belgian arms trading outfit called Commerce International. For Connor, the very obscurity of Khemlani made him suitable to be dispatched in search of \$4 billion.

The old man's dream was to hang on the telexes Khemlani would send halfway around the world. But what Connor did not know was that the CIA had the ability to



SIR JOHN KERR

"It's all bullshit, isn't it?" Kerr asked his friend Whitlam a few weeks before he threw Whitlam out of office.

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WILLIAM COLBY

The Australian prime minister felt he had no choice but to reveal documents proving that Colby had lied.

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SIR ARTHUR TANGE

After Whitlam revealed the names of U.S. spies in Australia, Tange wired CIA headquarters in alarm.

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listen in on every communication between himself and Khemlani, both at the U.S. embassy in Canberra and at Pine Gap—situated right in the heart of the very countryside Connor sought to “save” from American exploitation.

THE QUEEN'S REP

Even Gough Whitlam had no idea what the CIA was up to at Pine Gap; in fact, the prime minister was not to learn the real function of the “joint facility” in the desert until late in 1975. But by the middle of that year, his world had begun to come apart. Connor's dream, and the search for the \$4 billion, had been leaked to the press. Headlines were portraying the whole venture as reckless and scandalous. Even worse, damage was being inflicted where Whitlam had always been at his best, on the floor of the national parliament. The conservatives were making a daily ritual of brandishing new loan-related documents they had mysteriously obtained. Whitlam stood day after day at the carved wooden table center stage of the House of Representatives, defending his government's actions.

Across the table, standing every inch as tall as Whitlam was Malcolm Fraser, the newly elected leader of a coalition of conservative parties. Fraser's new role capped a long career in parliament that included a spell as defense minister while Australia had 10,000 troops in Vietnam. As his deputies piled up the “loans documents” on the parliamentary table, Fraser warned Whitlam that if “the evidence” revealed any “reprehensible circumstances,” he would order his conservative senators to abandon 75 years of tradition and use their single-vote majority to block the government's budget. They would punish Whitlam and Connor by cutting off all moneys. The threat was a bluff that Whitlam would call, but behind it Fraser had another plan—one he believed could destroy Whitlam's government before year's end.

When he was not grilling Labor's leaders in the parliament about “the loans scandal,” Fraser spent many hours closeted with his legal advisors. They were rereading the Australian Constitution, particularly those sections that dealt with the powers of the governor general.

The post of governor general was a formal holdover from colonial times. The office had for years been filled by elder statesmen appointed by the prime minister to represent the queen (or king) of England in Australia. Responsibilities of the post re-

quired attendance at dignitary funerals, flower show openings and state balls. To the average Australian, the governor general possessed little more than a powerless sinecure. But Fraser and his lawyers persuaded themselves, after close scrutiny of the constitution, that, at least in theory, the governor general could dismiss an entire government with a stroke of his pen.

The governor general at the time was Sir John Kerr, a ruddy-faced lawyer with a shock of white hair. Kerr had overcome poverty in childhood to gain a law degree and, after military service (in intelligence), had become a prosecutor first and then a judge. In 1974 Whitlam had appointed him governor general.

Fraser and his aides explored ways to capitalize on the governor general's status as nominal head of state. They reasoned that, while the prime minister nominates his governor general to the queen of England, who always agrees to the appointment, the constitution also says that the governor general must advise the queen to formally “commission” as prime minister the leader of the governing party. *The governing party* had always been taken to mean whichever party had a majority in the House of Representatives. But what if, Fraser's aides were asking themselves, a government were unable to pass its annual budget? Could the governor general then declare that party unable to govern? And if he did so, could he then appoint the other party as a caretaker government pending an election? It was a long shot. What Fraser's men were really asking was, will Kerr dare to go down in history as the only “Queen's representative” in modern times to dismiss an elected national government? And would he risk a constitutional High Noon with Gough Whitlam, the man who had appointed him?

He might, they concluded, but only if they could get the backing of the media, senior bureaucrats, big business (both Australian and foreign), some of the nation's legal authorities and, ultimately, the Americans. But before they could implement the Kerr plan, Fraser's men had to first find an excuse for cutting off Labor's money.

Rex Connor found himself powerless in the face of the conservatives' onslaught. He still could not figure out how they managed to obtain copies of his private messages to Khemlani. But between the embassy and Pine Gap, every telex line and satellite seemed to be tapped.

In October 1975, Fraser extracted public assurance from Connor that he had ceased

Top, bottom: John Fairfax & Sons, Ltd. Middle: UPI



all communication with Khemlani after May 20 that year. Fraser then produced a telex Connor had sent after that date. "I await further specific communication from your principals for consideration," was all it said, but it was evidence enough for Fraser to claim that Connor had lied to parliament. Whitlam had no choice but to fire Connor, which he did on October 13; and that, said conservative leader Fraser, was a circumstance "reprehensible" enough to warrant blocking the government's funds. The bluff was on. It was time to round up backers to urge the governor general to act.

The Fraser clique met to assess their position. They had key bureaucrats on board, especially at the Treasury, where resentment over Connor's unorthodox loan-raising attempts ran high. They had the media—Fraser personally telephoned each of the nation's four press barons. Legal experts had written papers urging the governor general to step into the breach. They were even handed some unexpected support from the Westinghouse Corporation. In September, Westinghouse had announced that it was reneging on \$2 billion worth of uranium supply contracts to American nuclear utilities—because, the company later said, Australian and other uranium suppliers had

formed a cartel and driven prices up 400 percent. "The [uranium] shortage is near term," declared Westinghouse lawyer William Jentes in an industry newsletter. "Maybe if the Labor government is thrown out of Australia in five weeks . . . we may be able to supply it."

The pressure grew on Kerr to act. But he refused to take the plunge. In mid-October he called his old friend Whitlam to discuss the merits of Fraser's case. "It's all bullshit, isn't it?" Kerr asked Whitlam. The prime minister, of course, agreed.

CODE NAME: "RHYOLITE"

By November 1975, the mood in Washington was one of despair bordering on panic. For Henry Kissinger, the elevation to secretary of state had been soured by the trauma of Watergate, the resignation of Richard Nixon and defeat in Vietnam.

At the CIA, Ted Shackley's world was also in disarray. His old friend Jim Angleton had been dumped a year earlier by the new director, William Colby, who was, in Shackley's view, giving Senate investigators entirely too many of the agency's "family jewels." Shackley was keeping up with developments in Australia, but he was preoccupied with the antics of a bold ex-CIA

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NOVEMBER 11, 1975
The governor general's secretary, David Smith, reads a decree dissolving parliament; Whitlam looks on.

operative named Edwin P. Wilson, who had set up companies all over the world—including in Australia—to facilitate secret payoffs and gunrunning operations. Although it is now known that some of the companies involved in the Australian “loans scandal”—Khemlani’s Commerce International of Belgium for one—were connected to Wilson, it is unclear to this day which were CIA-sanctioned and which were scams run for the benefit of Wilson and other maverick agents. But whatever Shackley knew about the mysterious “loans scandal revelations,” his determination to oust Whitlam and his socialist government had reached the boiling point by the first week of November. Edwin Wilson was forgotten, temporarily, and the CIA base at Pine Gap became Shackley’s major concern.

By 1975, there was at least one giant satellite—22,300 miles above the earth, over the Horn of Africa—whose orbit was designed to synchronize with the earth’s rotation so that the satellite would be geostationary. Today, there are several more. Each satellite has a dish, more than 70 feet in diameter, and several smaller aerias capable of detecting virtually the full spectrum of electronic signals. Each satellite, in the words of Victor Marchetti, former executive assistant to the deputy director of the CIA, is “like a vacuum cleaner,” picking up radio, radar, microwave and other telemetry signals from the Soviet Union, China and the other countries within its wide scanning range.

The agency began this top-secret satellite spy operation, code-named “Rhyolite,” before Gough Whitlam came to power. Information collected by the satellite is beamed down to the Pine Gap installation, a complex of 18 buildings and six silver-colored radomes protecting the sophisticated antennas that receive and transmit satellite signals. There is a seven-square-mile secured zone around the base, and airplanes are prohibited from flying over it. There are more than 200 CIA and other American workers employed at Pine Gap, and although the spy base is officially a joint U.S.-Australian facility, in actuality, the most sensitive tasks are controlled tightly by Americans.

The agreement that governs Pine Gap says that the U.S. must supply the Australian Defense Department all material collected through the facility. But no prime minister, not Whitlam nor any of his predecessors, had ever been told exactly what Pine Gap did. It was in November 1975, as his government was under siege, that Whitlam first heard the truth about the base.

Pine Gap, Whitlam learned, had been built in the late 1960s under the supervision of Richard Lee Stallings, a CIA man operating under Defense Department cover. Stallings had enjoyed his stay in Australia and had made friends with some of Australia’s ruling conservatives at the time. He had even arranged to rent a house from then Deputy Prime Minister J. Douglas Anthony. In late 1975, though, Stallings went into sudden premature retirement in Hawaii, complaining that other CIA agents were being too pushy in manipulating Australian politics.

“Dick was a straight shooter,” Marchetti says. “But he was copping a lot of static from the clandestine guys operating out of Canberra. Stallings didn’t approve of the stuff at the time; he figured his information-gathering operation at Pine Gap was being put at risk by the station chief’s men, who were interfering in Australia’s political parties and labor unions.”

At the peak of his crisis, Gough Whitlam heard rumors that Pine Gap was a secret CIA operation and that CIA agents had supplied campaign funds to conservative Australian political parties. Whitlam also heard the story—checked out by a sympathetic newspaper reporter—that Richard Stallings had rented Douglas Anthony’s house. It was a whole new can of worms, but with his back well and truly to the wall, Whitlam was prepared to exploit it.

LAUNCHING THE CRISIS

Late in October, an opinion poll of Australian voters had given Whitlam and his government new hope. About 70 percent of the respondents believed the conservatives should pass the budget and let Labor get on with governing. Labor was on the rise again, so Whitlam decided to call an

election in the Senate, hoping that he would pick up the one extra seat he needed to win passage of his frozen money bills. The prime minister headed for the hustings.

On a scorching, dry November day in the dusty town of Port Augusta, 600 miles west of Canberra and 600 miles south of Alice Springs, a crowd of Labor party supporters had gathered to hear one of Whitlam’s now-familiar defiant speeches, little knowing that he would launch the last and greatest crisis of his career.

“They are getting more and more desperate,” Whitlam shouted at the unsuspecting crowd at the November 2 rally, “these men [of the opposition] who are subsidized by the CIA.” Suddenly, journalists who had been dozing on their feet scrambled for pens and tapes. Whitlam named deputy opposition leader Anthony as the man having the primary “association with CIA money.” Within minutes, back in Canberra, the media descended on Anthony. “The prime minister must be losing his grip,” Anthony responded, “when he resorts to such fabrications.”

The following day a national daily backed Whitlam up: *The Australian Financial Review* reported that former Pine Gap chief Richard Stallings had lived in Anthony’s house and that Pine Gap and Stallings were both CIA.

Whitlam himself had checked the facts on Stallings. Two weeks before making his sensational charge, he had asked his Foreign Affairs Department for a list of CIA agents working in Australia. Stallings’ name was not on the list. But Whitlam received a tip that his Defense Department chief, Sir Arthur Tange, had a deep cover list. Tange reluctantly agreed to hand over that list, and there, Stallings’ name did appear. Whitlam had proof, but Tange issued a warning to Whitlam: the Australian Department of Defense was duty-bound to tell the CIA that the prime minister knew the identity of its deep cover agent. Whitlam raised no objection.

The next day, November 4, President Gerald Ford received a communiqué from Kissinger’s State Department. “Our embassy in Canberra has

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Dirty Tricks Down Under

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been reliably informed," it said, "that the [Australian] Foreign Affairs and Defense secretaries would welcome formal U.S. government statement denying any CIA financial involvement in Australian political parties. The embassy recommends a statement be issued promptly, since any delay would encourage Prime Minister Whitlam to continue impugning the United States through cheap political shots at his opponents."

Although top Australian bureaucrats were now asking Washington to help silence their boss, Whitlam pressed on. That afternoon, he announced to his nation that he knew of two specific instances in which the CIA had funded opposition parties.

On the day Whitlam spoke at Port Augusta, Ford fired CIA Director William Colby. Kissinger had decided he was telling the Senate too much.

Ford replaced Colby with Republican party faithful George Bush, who, he was convinced, would stonewall for as long as Kissinger wanted.

On November 6, the U.S. House intelligence committee handed Henry Kissinger three subpoenas demanding explanations for covert operations between 1962 and 1972, including intelligence reports on Soviet compliance with the 1972 SALT agreement. The CIA base at Pine Gap was central to the monitoring of Soviet missile tests, and Kissinger was well aware that the agreement with the Australians governing the base was due for renewal on December 9, just weeks ahead. Australia was finally being forced closer to the top of his agenda.

To Ted Shackley, Whitlam's accusations and the subsequent revelations in the Australian press about Pine Gap were extremely bad news. Shackley knew there were many more CIA agents involved in Australia, but he didn't know how much Whitlam knew. What else, Shackley wondered, might he reveal?

Over the next three days, the State Department categorically denied that Richard Stallings was CIA, and both

the U.S. embassy in Canberra and William Colby, serving out his final weeks in office, denied any CIA involvement in Australian politics.

Inside the dark green chamber of the Australian House of Representatives, deputy opposition leader Anthony, whom Whitlam had branded inconceivably gullible for renting his house to a CIA agent, demanded that Whitlam prove Stallings was CIA. The prime minister agreed to answer in the House, live on Australian public radio, on November 11.

Whitlam gathered his top advisors to compose his reply. They had no choice, Whitlam said; they had to reveal that they had received the list from the U.S. government itself. The problem, as Defense Secretary Tange saw it, was that by so doing, the Australian government would be calling Henry Kissinger, William Colby and the CIA liars. To an old supporter of the UKUSA Agreement, that was just not cricket. If there was no way to convince Whitlam to change his story, Tange told himself, then he must stop Whitlam from telling it at all.

By Friday, November 7, the identities of three other CIA agents in Aus-

tralia had been revealed in the press. Tange cabled CIA headquarters in alarm. His cables were among many reaching Shackley's desk from Australia that day. All of them bore bad news. Shackley picked up the phone and called the Australian embassy. He asked very urgently to speak with the ASIO liaison officer in Washington.

On November 8, in his capacity as chief of clandestine operations for East Asia, Shackley issued an ultimatum via the liaison officer to the director general of the ASIO. It was an extraordinary message, one that would later be leaked to the Australian press—but the leak was not to come until 18 months after the cable's fateful effect.

"On 2 November, the P.M. [prime minister] of Australia made a statement," Shackley began, "... to the effect that the CIA had been funding Anthony's National Country party." This allegation had been denied, Shackley said, by the U.S. embassy and the State Department. "At this stage," he continued, "CIA was dealing only with the Stallings incident." And here the veteran CIA agent admitted the truth: "Stallings is a retired CIA employee," said Shackley.

"Simultaneously, press coverage in Australia was such that ... four persons have been publicized [as CIA agents]," he continued. "They [CIA] have now had to confer with the cover agencies which have been saying that the persons concerned are in fact what they say they are, e.g., Defense Department saying that Stallings is a retired Defense Department employee. ...

"Does this signify some change in our bilateral intelligence security related fields?" Shackley asked. "CIA cannot see how this dialogue with continued reference to CIA can do other than blow the lid off those installations in Australia where the persons concerned have been working ... particularly the installation at Alice Springs." He was referring, of course, to Pine Gap.

"On November 7, 15 newspaper or wire service reps called the Pentagon seeking information on the allegations made in Australia," Shackley complained. "CIA is perplexed ... as to what all this means. ...

"Colby was asked whether the allegations ... were true," the message continued. "He categorically denied them. ... CIA can understand a statement made in political debate, but con-

stant further unraveling worries them," the cable went on, using the agency's habit of referring to itself as "they."

"Is there a change in the prime minister's attitude in Australian policy in this field?" Shackley asked pointedly.

Shackley had outlined the events as he read them and posed several rhetorical questions to suggest what was unacceptable to him as top-ranking clandestine officer for the region. Clearly he would not allow Whitlam to "blow the lid off" Pine Gap. Now he came to his ultimatum—the payoff pitch. "CIA feel that everything possible has been done on a diplomatic basis, and now on an intelligence liaison link they feel that if this problem cannot be solved they do not see how our mutually beneficial relationships are going to continue."

Shackley was invoking the ultimate sanction: he was threatening to expel a fellow agency from the UKUSA family.

The day the "Shackleygram" arrived in Canberra, Monday, November 10, Sir Arthur Tange telephoned Whitlam's senior aide, Michael Delaney. Tange was desperate to persuade the prime minister, in Delaney's words, "to lie to the parliament" about Stallings. Tange, not a man given to overstatement, claimed, "This is the gravest risk to the nation's security there has ever been."

What Tange did not tell the prime minister's office was that his department's intelligence unit had been host that weekend to a visit by none other than Governor General Kerr. Although neither Tange nor Kerr has ever acknowledged the meeting, Kerr was briefed at an installation ten miles outside of Melbourne about American fears that Pine Gap was about to be exposed and that Whitlam might refuse to sign the renewal agreement for the base. The top-secret briefing was given by Dr. John Farrands, an Australian scientist in charge of liaison with U.S. bases in Australia, who has also refused to discuss the briefing. Something that weekend changed Kerr's mind about his old friend Gough Whitlam.

The Coup

It was a crystalline day in Canberra on Tuesday, November 11, 1975, the day Gough Whitlam was to "blow the cover" on Richard Stallings in parliament. The whole country was waiting in suspense for one side in the parliamentary budget showdown to crack. Only a handful of people were aware of the

parallel drama between the intelligence agencies.

Before Question Time in the House of Representatives, at around 12:55, Prime Minister Whitlam walked confidently out of Parliament House and ordered his driver to take him to the governor general's residence. Heartened by the polls urging the Senate to pass the budget, Whitlam was planning to ask Kerr to sign the documents calling a Senate election. Whitlam was braced for the political battle of his lifetime, but he had no idea that the first strike awaited him at Kerr's house.

As his Mercedes drew to a stop at the front steps of the governor general's mansion, Whitlam had no reason to suspect—nor could he see—that Malcolm Fraser's car was parked in a rear driveway. And when he sat down with his old friend John Kerr, Whitlam had no way of knowing that his conservative rival was waiting in the next room.

"Well, John," Whitlam said, reaching into his briefcase, "I have the letter regarding the Senate election."

Kerr did not look up. "Before we go any further," he said, "I have to tell you that I have decided to terminate your commission."

"What?" Whitlam replied, raising his oversized eyebrows in surprise. "Have you discussed this with the queen?"

"No," said Kerr, finally looking his colleague in the eye. "I don't have to, and it's too late for you." And with that, he handed Whitlam a letter, which the prime minister read in silent disbelief. It informed him that the governor general was canceling the appointment of Whitlam and all his ministers as of that moment. Whitlam was dazed. He walked outside, briskly, got into his car and told the driver to take him to the prime minister's lodge, from which he first called his wife, then two senior advisors, John Mant and Graham Freudenberg.

"Whitlam was sitting alone in the small, glazed breakfast room ... eating his customary steak," Freudenberg recalls. "As we entered, Whitlam stated quietly but bluntly: 'I've been sacked.'"

The coup was under way. For millions of ordinary Australians, the news came during their lunchtime break. In cafés and offices, on shop floors and in schools, people gathered around radios and television sets as virtually every broadcast switched to live action from

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Dirty Tricks Down Under

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the nation's capital. Immediately, a leading commentator dubbed it a "Constitutional Coup." Ten thousand Labor supporters rushed to an impromptu demonstration in the streets of Sydney. More marched in Melbourne, where the Stock Exchange was pelted with rocks. Demonstrators carried radios to keep up with events: Whitlam sped to the parliament, where Labor members were planning a vote of no-confidence for the new prime minister—Malcolm Fraser, whom the governor general had sworn in seconds after dismissing Whitlam. The no-confidence vote passed. But to be legal and binding, it required the seal of the governor general. Although none had ever refused to sign a decision of the parliament, Sir John Kerr simply refused to meet with the Labor politicians carrying the resolution.

Shortly after 4:30 p.m., Whitlam appeared on the steps of Parliament House before a swelling crowd of supporters chanting, "We want Gough!" At that moment, a short, thin man in a black suit appeared to read a proclamation from Governor General Kerr shutting down the parliament. Whitlam loomed above the unfortunate official, who ended his declaration with the traditional invocation, "God save the Queen." Whitlam could restrain himself no longer. Seizing the microphone, to the cheers of the crowd, he boomed, "Well may we say, 'God save the Queen,' because nothing will save the governor general!" In a parting moment of defiance, Whitlam urged Australians: "Maintain your rage."

But for Whitlam, rage was all that was left. There was now no parliament in which to answer the question about Stallings and the CIA; there was no Labor government to renege on the Pine Gap agreement; his party was exhausted, its best minds wasted by dirty tricks. No loans had ever been raised; investors had pulled out, and Australians were unemployed in record numbers.

For the next four weeks Whitlam stumped the nation, urging voters to reelect him to protest the constitutional coup, but the Australian public was not yet ready to wage a constitutional war of independence. On December 13, 1975, Malcolm Fraser and his conservative parties were elected, and Labor retreated for what was to be seven and a half years of regrouping.

For millions of Australian Labor party supporters, the CIA has become a symbol of their powerlessness in a world where, it seemed to them, dreams could only be imported. The new Labor government, elected in 1983, is more cautious in its criticism of American foreign policy and friendlier to U.S. intelligence operatives at Pine Gap and elsewhere around Australia. It has no grand vision to nationalize the country's vast resources. A constitutional coup d'état seems unlikely in the foreseeable future.

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